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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 15
	:	
MURRAY HOLDINGS LIMITED, <sup>1</sup>	:	Case No. 15-11231 (MG)
	:	
Debtor in a Foreign Proceeding.	:	
	:	Ref. Docket Nos. 1, 3, 6 and 8
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**SUPPLEMENT IN SUPPORT OF VERIFIED PETITION OF FOREIGN  
REPRESENTATIVES FOR RECOGNITION OF THE ISLE OF MAN SCHEME  
PROCEEDING AS A FOREIGN MAIN PROCEEDING AND MOTION FOR (I)  
RECOGNITION AND ENFORCEMENT OF THE ISLE OF MAN SCHEME OF  
ARRANGEMENT AND THE ORDER OF THE ISLE OF MAN COURT SANCTIONING  
THE ISLE OF MAN SCHEME OF ARRANGEMENT, (II) A FINAL DECREE AND (III)  
CERTAIN RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Arnaldur Jon Gunnarsson and Arnar Scheving Thorsteinsson, in their capacities  
as the Nominated Directors and authorized foreign representatives (in such capacities, the

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<sup>1</sup> The Isle of Man registered number of Murray Holdings Limited is 080684C. The mailing address and registered office of Murray Holdings Limited is 69 Athol Street, Douglas, Isle of Man IM1 1JE.

“Nominated Directors” or “Foreign Representatives”) of Murray Holdings Limited (the “Company”) in connection with the Company's Scheme of Arrangement (the “Isle of Man Scheme”) pursuant to section 152 of the Isle of Man Companies Act 1931 and the proceeding (such proceeding, the “Isle of Man Scheme Proceeding”) pursuant to which the Isle of Man Scheme was proposed, solicited and sanctioned by the High Court of Justice of the Isle of Man (the “Isle of Man Court”), by and through the undersigned counsel to the Foreign Representatives, hereby submit this supplement (this “Supplement”) in support of the *Verified Petition of the Foreign Representative for Recognition of the Isle of Man Foreign Proceeding as a Foreign Main Proceeding, and Motion for (I) Recognition and Enforcement of the Isle of Man Scheme of Arrangement and the Order of the Isle of Man Court Sanctioning the Isle of Man Scheme of Arrangement, (II) a Final Decree and (III) Certain Related Relief* [Docket No. 3] (the “Verified Petition and Motion”).<sup>2</sup> In support hereof, the Foreign Representatives respectfully represent as follows:

**STATUS OF THE CASE AND PURPOSE OF THIS SUPPLEMENT**

1. On May 11, 2015 (the “Petition Date”), the Nominated Directors, as Foreign Representatives, filed a voluntary petition for relief under chapter 15 of the Bankruptcy Code [Docket No. 1] (the “Chapter 15 Petition”), the Verified Petition and Motion, the Memorandum of Law, certain factual declarations,<sup>3</sup> and other documents and lists required pursuant to the Bankruptcy Code and the Bankruptcy Rules. The Foreign Representatives seek recognition of the Isle of Man Scheme Proceeding as a foreign main proceeding and seek

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<sup>2</sup> Capitalized terms used but not defined in this Supplement shall have the meanings ascribed to them in the Verified Petition and Motion, and if not defined in the Verified Petition and Motion, in the Isle of Man Scheme.

<sup>3</sup> On the Petition Date, the Foreign Representatives filed the following declarations: (a) the *Declaration of Arnaldur Jon Gunnarsson in Support of Chapter 15 Petition and Requested Relief* [Docket No. 6] (the “Gunnarsson Declaration”), and (b) the *Declaration of Victoria Unsworth in Support of Chapter 15 Petition and Requested Relief* [Docket No. 7].

recognition and enforcement of the Isle of Man Scheme and the Isle of Man Sanction Order in the United States.

2. After a hearing on May 15, 2015 (the “May 15 Hearing”), the Court entered the *Order (I) Specifying the Form and Manner of Notice, (II) Scheduling the Recognition Hearing and (III) Granting Certain Related Relief* [Docket No. 21] (the “Notice Order”), pursuant to which, among other things, the Court scheduled a hearing for June 24, 2015 to consider entry of the Proposed Recognition and Enforcement Order (the “Recognition Hearing”). As announced in the *Notice of Rescheduled Recognition Hearing Date* [Docket No. 26], the Recognition Hearing has been rescheduled to June 25, 2015 at 2:00 p.m. (ET). The Notice Order established June 9, 2015 at 4:00 p.m. (ET) as the deadline for objecting to entry of the Proposed Recognition and Enforcement Order. No objections have been filed or otherwise received by the Foreign Representatives’ counsel.

3. The principal purpose of this chapter 15 proceeding is to enforce the Isle of Man Scheme in the United States and thereby protect one of the Company’s most valuable assets—the Spirit Shares, which had a trading value of approximately \$114 million as of the Petition Date and generate substantial annual dividends for the Company. (See Gunnarsson Declaration ¶¶ 21-23, 68.) The Foreign Representatives believe that, upon entry of the Proposed Recognition and Enforcement Order, there will be no further restructuring activity for the Court to consider in the context of this Chapter 15 Case. (See Verified Petition and Motion ¶ 26.)

4. At the May 15 Hearing, the Court asked the Foreign Representatives’ counsel certain questions regarding the consensual nature of any third-party non-debtor releases in the Isle of Man Scheme. Accordingly, the Foreign Representatives have filed this pleading to supplement the record with respect to the third party releases.

### **THIRD PARTY RELEASES**

5. As discussed in the Gunnarsson Declaration, the Isle of Man Scheme contains certain release, indemnity and injunction provisions. (See Gunnarsson Declaration ¶¶ 53-59.) The combined aim of the Isle of Man Scheme and the Deed of Settlement and Release is to bring an end to the majority of the litigation related to the Pre-Liquidation Transactions, with the consent of each of the parties thereto. (See, id. ¶ 54.) Indeed, as discussed below, the Foreign Representatives submit that each of the releases in the Isle of Man Scheme are consensual.

6. The releases are provided in detail in clause 35 of the Isle of Man Scheme and in the Deed of Settlement and Release, and are summarized in paragraph 55 of the Gunnarsson Declaration. (See Gunnarsson Declaration ¶ 55, Ex. C (Isle of Man Sanction Order and Scheme), Ex. K (Deed of Settlement and Release).) To very briefly summarize herein, first, the Scheme Creditors released the Company from pre-Effective Date claims. Second, the Scheme Creditors have released, and have received releases from, the Company and various non-Company parties<sup>4</sup> including, without limitation, the other Deed of Settlement and Release counterparties.

7. The Scheme Creditors can be sub-divided into two groups, the (i) “Known Scheme Creditors” and (ii) the “New Scheme Creditors.” (See Gunnarsson Declaration ¶ 51.) There were twenty-four Known Scheme Creditors. (See Isle of Man Scheme at Schedule 3.) Seventeen of the Known Scheme Creditors attended the Isle of Man Scheme Meeting either in person or by proxy and they unanimously voted in favor of the Isle of Man Scheme. (See Gunnarsson Declaration ¶ 66.) The remaining seven claims were collectively held by Kaupthing

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<sup>4</sup> Each of the non-Company parties granting releases either executed the Deed of Settlement and Release or is a Scheme Creditor as described herein.

hf. (“Kaupthing”) (which held one claim), Mön Investments ehf. (“Mön”) (which held 5 separate claims) and Eignarhaldsfélagið EAV ehf. (“EAV”) (which held one claim). (See Isle of Man Scheme at Schedule 3.) Because Kaupthing is an insider of the Company, Kaupthing signed a deed poll dated October 23, 2014 agreeing to abstain from voting on the Isle of Man Scheme. (See Explanatory Statement at p. 7; Explanatory Statement at Appendix 16 (Kaupthing Deed Poll) (“Kaupthing wishes to enter into this Deed Poll for the benefit of the Company, in relation to the approval of the Schemes.”).) Furthermore, Kaupthing signed the Deed of Settlement and Release pursuant to which it stated that it would “agree to consent to, and be bound by, the terms of the English Scheme and the Isle of Man Scheme.” (See Gunnarsson Declaration at Ex. K (Deed of Settlement and Release), § 2.1.) Mön is a wholly owned direct subsidiary of Kaupthing. (See Explanatory Statement § 5.3(e).) Accordingly, Mön also signed a deed poll dated October 23, 2014 agreeing to abstain from voting on the Isle of Man Scheme. (See Explanatory Statement at § 5.3(e); Explanatory Statement at Appendix 17 (Mön Deed Poll) (“Mön Investments wishes to enter into this Deed Poll for the benefit of the Company, in relation to the approval of the Schemes.”).).

8. The remaining Known Scheme Creditor is EAV. Although EAV did not vote for or against the Isle of Man Scheme, as evidenced by the declaration attached hereto as Exhibit A, the Foreign Representatives’ counsel was informed by e-mail by counsel to EAV, Logos Legal Services LLP (“Logos”), that EAV would not be voting against the Isle of Man Scheme. Additionally, as evidenced by the *Sixth Witness Statement of Peter Bruce Clucas* (the “Witness Statement”), which was filed in the Isle of Man Court in connection with the sanction of the Isle of Man Scheme and a copy of which is attached hereto as Exhibit B, due and proper

notice of the Isle of Man Scheme was given to Logos on EAV's behalf.<sup>5</sup> (See Witness Statement §§ 9(i); 10; 13.)

9. As for any "New Scheme Creditors" that could have been bound by the Isle of Man Scheme releases, there are none. As set forth in the Gunnarsson Declaration, the Company established a bar date of January 28, 2015 for any New Scheme Creditors to submit claims and no new claims were submitted. (See Gunnarsson Declaration ¶ 51.) Accordingly, the Foreign Representatives submit that the Isle of Man Scheme releases were consensual and, for the reasons set forth in the Memorandum of Law, should be afforded comity by the Court.

### **NOTICE**

10. No trustee, examiner or statutory committee has been appointed in this Chapter 15 Case. Notice of this Supplement has been provided to each of the Notice Parties (as defined in the *Motion of Foreign Representatives for an Order (I) Specifying the Form and Manner of Notice, (II) Scheduling the Recognition Hearing and (III) Granting Certain Related Relief* [Docket No. 17]). In light of the nature of this Supplement, the Foreign Representatives submit that no other or further notice is necessary.

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<sup>5</sup> In addition, EAV's counsel, Logos, has received notice, by mail and/or e-mail, of every document filed in this Chapter 15 Case. (See Affidavits of Service [Docket Nos. 5, 23-24].) The Foreign Representatives also provided publication notice of the commencement of this Chapter 15 Case, the Recognition Hearing and the Proposed Recognition and Enforcement Order. (See Affidavit of Publication [Docket No. 25].)

WHEREFORE, the Foreign Representatives respectfully request (i) entry of the Proposed Recognition and Enforcement Order, substantially in the form attached to the Verified Petition and Motion as Exhibit A and attached to the Recognition Notice as Exhibit I, and (ii) such other and further relief as the Court deems just and proper.

Dated: New York, New York  
June 17, 2015

SIDLEY AUSTIN LLP

/s/ Danielle E. Perlman

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